

Georgia Department of Community Affairs

Strategy Statement Fiscal Year 2022

The Appalachian Regional Commission

July 2021-June 2022

Georgia and the Appalachian Regional Commission

As a member state of the Appalachian Regional Commission (ARC), Georgia participates in providing technical assistance and area development funding to its 37 counties spanning the northern third of the state. Our state plan for responsible investment of Georgia's community and economic development funds provides guidance to communities and organizations seeking funding for projects meeting the goals of the Appalachian Regional Commission. This State Strategy Statement for Fiscal Year 2022 indicates the investment priorities for the State of Georgia in our Appalachian Region.

Georgia's ARC Leadership and Technical Resources

Governor Brian Kemp serves as Georgia's Commission member, and Department of Community Affairs Commissioner Christopher Nunn serves as his alternate. The Georgia Department of Community Affairs manages the administration of our state's ARC program. In addition to the ARC program manager, the Department of Community Affairs provides field representatives with specific knowledge of the ARC program and goals to each of the five regions in Georgia's ARC service area.

Georgia's 37 ARC counties are served by five Regional Commissions, all of which act as partners with the Department of Community Affairs, providing technical and project development assistance for local governments and other eligible organizations. These local development districts include:

- *Atlanta Regional Commission* serves three ARC counties: Cherokee, Douglas, and Gwinnett
- *Georgia Mountains Regional Commission* is completely within Georgia's ARC service area and serves 13 counties: Banks, Dawson, Forsyth, Franklin, Habersham, Hall, Hart, Lumpkin, Rabun, Stephens, Towns, Union, and White
- *Northeast Georgia Regional Commission* serves four ARC counties: Barrow, Elbert, Jackson and Madison
- *Northwest Georgia Regional Commission* is completely within Georgia's ARC service area and serves 15 counties: Bartow, Catoosa, Chattooga, Dade, Fannin, Floyd, Gilmer, Gordon, Haralson, Murray, Paulding, Pickens, Polk, Walker and Whitfield
- *Three Rivers Regional Commission* serves two ARC counties: Carroll and Heard

Georgia County Designations

Each year, the Appalachian Regional Commission ranks counties based on national data for three economic indicators—three-year average unemployment rate, per capita market income, and poverty rate. This data determine county economic status, which governs the level of investment ARC aims to make into projects in each county. In Fiscal Year 2022, Georgia’s 37 ARC counties are ranked as follows:

Appalachian Regional Commission FY 2022 County Rankings - Georgia	
Region One – Georgia Mountains Regional Commission	
<i>County</i>	<i>Economic Status</i>
Bartow	Transitional
Catoosa	Transitional
Chattooga	At-Risk
Dade	Transitional
Fannin	Transitional
Floyd	Transitional
Gilmer	Transitional
Gordon	Transitional
Haralson	Transitional
Murray	At-Risk
Paulding	Transitional
Pickens	Transitional
Polk	At-Risk
Walker	Transitional
Whitfield	Transitional
Region Two – Georgia Mountains Regional Commission	
<i>County</i>	<i>Economic Status</i>
Banks	Transitional
Dawson	Competitive
Forsyth	Attainment
Franklin	At=Risk
Habersham	Transitional

Hall	Transitional
Hart	Transitional
Lumpkin	Transitional
Rabun	Transitional
Stephens	Transitional
Towns	At-Risk
Union	Transitional
White	Transitional
Region Three – Atlanta Regional Commission	
<i>County</i>	<i>Economic Status</i>
Cherokee	Competitive
Douglas	Transitional
Gwinnett	Transitional
Region Four – Three Rivers Regional Commission	
<i>County</i>	<i>Economic Status</i>
Carroll	Transitional
Heard	Transitional
Region Five = Northeast Georgia Regional Commission	
<i>County</i>	<i>Economic Status</i>
Barrow	Transitional
Elbert	At-Risk
Jackson	Transitional
Madison	Transitional

Other Partners

In addition to administering Georgia’s ARC program, the Department of Community Affairs (DCA) provides community and economic development financing, housing financing and technical assistance for community development throughout the state. The ARC program leverages the expertise of all other programs and resources, specifically including:

- Office of Downtown Development and Main Street program
- Georgia’s PlanFirst program (reward planning and implementation excellence)
- Community Development Block Grant program

Georgia's ARC program also works closely with other state agencies, including:

- Georgia Environmental Finance Authority
- Georgia Department of Agriculture
- Georgia Department of Economic Development
- Georgia Department of Public Health
- Technical College System of Georgia
- The University System of Georgia

Our primary federal partners include USDA and HUD. DCA is always seeking additional partners to meet the goals of ARC, the State of Georgia, and the communities we serve.

Appalachian Regional Commission Strategic Plan and Investment Goals, 2016-2020

In November 2015, the Appalachian Regional Commission approved a new strategic plan to guide the Commission's economic and community development efforts in Appalachia from fiscal years 2016 through 2020. The plan outlines five strategic goals supporting ARC's vision and mission.

ARC Vision

Appalachia is a region of great opportunity that will achieve socioeconomic parity with the nation.

ARC Mission

To innovate, partner, and invest to build community capacity and strengthen economic growth in Appalachia.

ARC 2016–2020 Strategic Investment Goals

Goal 1: Economic Opportunities

Invest in entrepreneurial and business development strategies that strengthen Appalachia's economy

Goal 2: Ready Workforce

Improve the education, knowledge, skills, and health of residents to work and succeed in Appalachia

Goal 3: Critical Infrastructure

Invest in critical infrastructure—especially broadband; transportation, including the Appalachian Development Highway System; and water/wastewater systems

Goal 4: Natural and Cultural Assets

Strengthen Appalachia's community and economic development potential by leveraging the Region's natural and cultural heritage assets

Goal 5: Leadership and Community Capacity

Build the capacity and skills of current and next-generation leaders and organizations to innovate, collaborate, and advance community and economic development

State Investment Goals

Governor Brian Kemp has outlined the following priorities for his administration in order to focus Georgia's resources responsibly. Georgia will use its ARC resources to further the goals of the Appalachian Regional Commission as well as those of our local communities, our regions, and our state.

- Make Georgia #1 for Small Business
- Prepare a ready workforce and remove barriers to employment
- Strengthen Rural Georgia
- Increase Access to Broadband Capacity Across Rural Georgia
- Improve quality of and access to healthcare options in rural Georgia

Georgia's ARC Investment Priorities for Fiscal Year 2022

In order to maximize the benefit of ARC funds across its 37-county region, Georgia will focus funding on projects that address the following identified needs for Fiscal Year 2022:

"COVID has added an exclamation point to everything"

– Eva Kennedy, Director, Planning and Government Services, NEGA Regional Commission

- **Downtown Development:** ARC Goals One (Economic Opportunities), Three (Critical Infrastructure) and Four (Natural and Cultural Assets) all support this regional priority. As Georgia's small businesses and rural communities work to strengthen their economic resilience in 2022 and beyond, ARC funds can assist by supporting projects that create and retain jobs, strengthen existing businesses, help create new businesses, improve the quality of life in communities, and reimagine how businesses will be successful in a post-COVID Appalachian downtown.
- **New, Improved or Enhanced Infrastructure:** ARC Goal Three (Critical Infrastructure) supports this ongoing priority for Appalachian Georgia. Many rural governments are continuing to attract new industry and business locations and many others are working to create the necessary capacity to support new development. ARC funds can assist with necessary infrastructure improvements to continue to strengthen and grow our economy.
- **Creating Resilient Communities:** ARC Goal Five (Leadership and Community Capacity) support this priority. Both the Appalachian Regional Commission and the Georgia Department of Community Affairs continue to prioritize projects that are part of larger plans, either of local governments or authorities. Several of Georgia's ARC counties have invested in long-range planning activities, many with ARC's investment. Georgia will continue to invest ARC funds in support of planning activities at a local and regional level.
- **Regrowth of the Tourism Economy:** ARC Goals One (Economic Opportunities) and Four (Natural and Cultural Resources) support this ongoing priority for the region. Much of North Georgia is federally or state protected land and is a constant attraction for myriad outdoor activities. While Georgia has seen an upswing in vacation rentals in the Appalachian region, many of the tourist-related businesses and attractions continue to suffer economic losses. Projects that support existing tourism-related business, allow the public and private sectors to maximize the benefit from their unique assets, attract new visitors and create or retain jobs are important to Georgia's ARC region.
- **Workforce Development:** ARC Goal Two (Ready Workforce) supports this priority. Across the 37-county region, Georgia's manufacturers and businesses are seeking employees to fill existing vacancies. Projects that help citizens increase or enhance their skills, provide apprenticeships

that benefit both employers and employees, or provide support to employees to remain employed are beneficial as we recover from the long-term effects of COVID.

- While deployment of broadband to under-and-unserved areas of Georgia remains a highest priority statewide and across the ARC region, Georgia DCA will temporarily minimize its use of ARC funds to assist with that effort in light of new federal and state-dedicated funds for the specific purpose of increasing broadband coverage.

Challenges and Gaps in Georgia’s Appalachian Region

Home to more than 3 million people, Georgia’s Appalachian region, like so many rural areas, is less competitive economically. In turn, this hinders progress in community development, educational outcomes, and health outcomes. The Department of Community Affairs aims to improve the health, education and quality of life for Georgia’s Appalachian residents by strategically addressing these specific challenges:

- **The economic impact of COVID-19:** To assist Appalachian communities in their efforts to recover from economic losses sustained during the COVID-19 pandemic and beyond, DCA will allow project proposals to reduce their required match amount based on County Economic Status. Proposals must show a match equal to the County Economic Status one tier below their current status. All At-Risk communities may provide a match based on a Distressed status; Transitional communities may provide a match based on an At-Risk status, and Competitive communities may provide a match based on a Transitional status. Attainment communities remain ineligible for ARC investment.
- **Unemployment rates and the lack of skilled workforce:** Georgia continues to recruit manufacturers and other industries to the Appalachian region, and we seek to provide our citizens with appropriate education, training and other necessary support to find work in these sectors.
- **Suboptimal Infrastructure:** Georgia has invested in basic community infrastructure and will continue to do so to maximize job creation efforts. Some communities have built-out industrial parks but need help with additional infrastructure to encourage development. Local governments seek best practices for cleaner, more efficient water and sewer infrastructure. Rural Georgia also has significant technology needs in order to maximize economic potential.
- **Organizational Capacity/Leadership:** Small, rural governments generally have fewer professional staff to “do the work,” and fewer citizen volunteers upon whom they may rely. Additionally, communities must address the challenge of delivering necessary services to a wide-spread population. Training and leadership development for smaller communities remains a critical need.

ARC Program Details

The Department of Community Affairs seeks to address the goals of the Appalachian Regional Commission, the State of Georgia, and the communities we aim to serve in a responsible and fair manner. Accordingly, our program adheres to the following policy guidelines:

- Maximum ARC investment amount is \$600,000. The maximum investment amount may be waived by the Governor at his discretion.
- Priority is given to projects that are “ready-to-go,” meaning that projects are encouraged to secure other necessary funding before submitting an application.
- Eligible applicants include:
 - Local governments
 - Development Authorities
 - Non-profit organizations (must provide adequate certification of status)
 - Educational institutions
 - Public healthcare institutions
 - Public-private partnerships are eligible, but applicant must be a public entity or non-profit entity
- Each proposal is scored according to the following criteria:
 - Consistency with Appalachian Regional Commission goals and strategies
 - Consistency with Georgia Department of Community Affairs’ investment requirements and objectives, which include:
 - Project supports community objectives outlined in a comprehensive local or regional plan
 - Local government applicants are current on service delivery strategy requirements to receive funding
 - Local government and development authority applicants are current on all required reporting with the state
 - Economic impact within the community and region
 - Return on investment via economic or community development standards
 - Projects must include measurable outputs and outcomes consistent with federal performance measure requirements.
 - Projects that are identified as strategies in larger local or regional strategic plans should indicate their ability to meet goals in said plans
 - Innovation – some projects may be untested in Georgia, and therefore may not be addressed in a regional or local planning document; the review committee will give proper consideration to innovative applications that address priorities within the ARC Strategic Plan.

Construction Projects

- Construction projects should have preliminary commitment of jobs and a preliminary engineering report prior to request for funding.
- In the case of tourism-related construction projects, credible forecasts for increased commercial activity must be included.

- DCA or the Georgia Environmental Finance Authority will serve as the Registered State Basic Agency for the administration of construction projects. (GEFA will administer water/sewer projects and DCA all others that qualify as construction). DCA may grant an exception to this policy only in the case where another federal agency participating in the project is willing to administer ARC funds.
- Projects must obtain all reviews and approvals pertaining to federal financing PRIOR to project start dates. These include, but are not limited to:
 - Environmental assessments
 - Wage and labor rate approvals
 - Procurement approvals
 - Contractor approvals
- Organizations seeking ARC funding for construction projects will be strongly advised of time constraints associated with federal financing. All activities associated with construction projects must adhere strictly to these requirements.

Non-construction or Operating Projects

- ARC funding is limited to start-up costs and two years of operation costs MAXIMUM.
- No project is guaranteed more than one year of support.
- Projects requesting start-up funds should identify sources of funding to continue the project upon cessation of ARC investment, or indicate a plan for cultivating future funding.
- In most cases, operating proposals should indicate an 18-month initial start-up phase. New projects generally meet unexpected delays, and this 18-month window can help alleviate the need to extend a project to meet its initial objectives.
- Any project seeking continuation funding (second or third year) should contact Georgia's ARC office at least one month prior to the pre-application deadline to discuss additional funding. These projects must provide evidence of satisfactory performance in meeting first-year objectives in order to be considered for any additional funding.
- ARC will serve as the administering agency for all non-construction projects.

Ineligible Activities

Georgia's ARC program does not generally fund the construction of schools, places of worship or government buildings.

General Information

Pre-applications for funding are required and may be submitted at any time. All application materials are available at: www.dca.ga.gov/arc.

- Please contact Annaka.woodruff@dca.ga.gov to discuss any potential project prior to submitting a pre-application.

- The Department of Community Affairs accepts applications for ARC funding on a rolling basis, upon approval and review of a pre-application.
- Projects that are approved by the Governor will be sent on to ARC for final review and approval. Georgia will notify those communities/organizations that are approved; although the date for these approvals will vary.